

Congress of the United States

Washington, DC 20515

May 4, 2005

The President
The White House
Washington, DC 20510

Dear Mr. President:

We are writing to express our disappointment about the U.S.-Central America-Dominican Republic Free Trade Agreement (DR-CAFTA) and your Administration's failure to create an economic policy that will lead to a real consensus on trade. Due to the DR-CAFTA's inadequate protections for workers' rights, as well as your Administration's refusal to invest adequately in the American workforce and economy, we will oppose this agreement when it comes to the Floor of the House.

As members of the New Democrat Coalition, we support trade as a part of a long term strategy to grow both our economy and the world economy. Lowering tariffs and advancing economic engagement among nations not only helps the American economy, it also can provide real opportunity to those in the developing world who are working to eradicate poverty, build their nations and bring prosperity to their people.

Yet we also believe it is critically important to build a national consensus—one that does not currently exist—around the importance of trade. Such a consensus requires that trade agreements be balanced and fair for American workers and companies as well as for the nations with which we seek to engage. It also requires that domestic policies be put in place to assist Americans in transitioning to the global economy. Your Administration has failed on both of these critical fronts.

First, the labor provisions in the DR-CAFTA are inadequate and constitute a step backwards on workers' rights. The agreement would weaken labor rights protections currently available under the United States' existing trade preference programs with the region. This is unacceptable. The Administration has aggressively negotiated intellectual property and investor rights provisions in the agreement, but has simply not taken the same approach to protecting workers' rights. Further, we have little reason to believe that workers' rights will be a priority for this Administration. For example, shortly after the Jordan trade agreement was completed, the White House exchanged side letters with Jordan establishing that, in effect, there would be no real enforcement of the labor provisions.

Second, the fiscal choices made during your Administration—including massive tax cuts and irresponsible spending increases—have undermined our country's ability to invest in domestic programs like education, skills training and research and development. Indeed, despite progress made in recent years to improve the Trade Adjustment Assistance (TAA) program, budget cuts have left many workers who qualify for TAA benefits without access to this program at a time they need it most. We cannot simply stand by as

the Administration's fiscal choices continue to undercut the domestic investments necessary for a broad national consensus on trade.

If we are to build a consensus on trade here at home, we must address some of the effects of trade on the American workforce and on our ability to compete in the global marketplace. We must fund and provide for skills training and lifelong learning so workers have the opportunity to continually upgrade their skills or pursue a new career. We must invest in K-12 education so our children can become the next generation of American scientists, engineers, teachers and business leaders. We must invest in research and development so the government is a partner with universities, businesses and entrepreneurs in developing the next great round of innovation that will drive our economy and create the jobs of the future.

If we are to build such a consensus abroad, we must understand that workers' rights are crucial to ensuring that developing nations fully and effectively participate in the global economy. Trade agreements must be a tool for helping lift workers abroad out of poverty, provide them the opportunity they so desperately need and eventually move them into a larger global middle class. We must use trade to prevent the creation of a permanent underclass of workers who have no hope of a better life and who simply provide a pool of inexpensive labor.

Your Administration has shown no willingness to engage with pro-trade Democrats in order to build a true consensus on trade in this country. We are particularly disappointed that, thus far, you have shown far greater willingness to consider the parochial interests of protectionists than to address the concerns of free trade supporters such as ourselves.

We cannot support a trade agreement the size and scope of the DR-CAFTA given the concerns outlined above.

Sincerely,



ELLEN TAUSCHER
Member of Congress



ADAM SMITH
Member of Congress



ARTUR DAVIS
Member of Congress



RON KIND
Member of Congress